

TIME : 2 Hrs.

MARKS : 60

- Note :-** 1) All questions are compulsory.  
2) Figures to the right indicate full marks.

- Q. 1. Answer any three of the following : [15]  
 a) NNP at factor cost.  
 b) Merchandise trade balance  
 c) Budgetary deficit and Revenue deficit  
 d) National income deflator  
 e) Current account and Capital account of in balance of payments.
- Q. 2. Answer any three of the following. [15]  
 a) Nominal national income and Real national income  
 b) Financial development ratios.  
 c) Circular flow of income in a two sector closed economy without savings.  
 d) Direct taxes and Indirect taxes.  
 e) Devaluation as a measure to correct disequilibrium in balance of payments.
- Q. 3. Answer the following. [8]  
 a) Explain the classification of public expenditure.  
**OR**  
 Explain the difficulties involved in measuring national income of India.
- b) Explain the meaning and functions of financial system. [7]  
**OR**  
 What is an Is curve ? Explain the derivation of Is curve.
- Q. 4. Answer the following. [8]  
 a) Explain the income method of measuring N. 9  
**OR**  
 Explain the impact of fiscal policy on Is curve.
- b) Explain the causes of disequilibrium in balance of payments. [7]  
**OR**  
 Explain the sources of non-tax revenue of the government.

